

TA'd per 2/26/2025 TENTATIVE AGREEMENT

Union Proposal	UP-041-5
Subject	Profit Share
Date Presented	02/25/2025
Presented by	UAW Shop Committee
Document	Local/National Agreement
Page/Paragraph	

Proposal

Replace current Facilities Bonus program and AEBS with new provision for profit sharing based on publicly disclosed data.

Current Language

N/A

Agreed Upon Language Change

Remove the Facilities and AEBS from the UAW Benefits Guide.

Replace with the Following (effective in 2025):

Section 1. Eligible Workers

All bargaining unit employees who worked during the Plan Year, who at the end of the Plan Year are active or on layoff or leave of absence are eligible for profit sharing. Employees who retired or died during the Plan Year are also eligible. Employees who are terminated during the Plan Year other than death or retirement are not eligible. Employees who are terminated for any reason after the Plan Year but before the payout are eligible for the payout. Profit sharing due to the deceased are paid to their beneficiary.

Section 2. Plan year

Each financial reporting year of Rolls-Royce Corporation and subsidiaries. The 12-month period beginning on January 1 and ending on December 31.

Section 3. Eligible Profit Share Amount

The Company will provide an annual Profit-Sharing payout in the amount of \$400 for each 1% reported Underlying Operating Margin of the Defense Division (in %) as reported in the Company's annual report.

In the event that the Company no longer publicly discloses its financial results or Underlying Operating Margin of the Defense division, the Company shall provide the Union Underlying Operating Margin of the Defense division in a manner consistent with how the figures are defined and reported in its 2023 Annual Report. The Union shall have the option of retaining a third party selected by the Union to audit the Company's calculation paid.

Section 4. Profit Sharing Amount

The amount to be paid to an Eligible Worker for a Plan Year, determined by multiplying the Eligible Profit Share Amount by the percentage in the table below based on each Eligible Worker's Compensated Hours during the Plan Year.

Compensated Hours	Percent of Eligible Profit Share
2,080	100%
1,872	90%
1,664	80%
1,456	70%
1,248	60%
1,040	50%
832	40%
624	30%
416	20%
208	10%

Section 5. Compensated Hours

Includes hours for which an Eligible Worker receives hours of compensation as listed below:

Straight Time Base Wages

Overtime (with each hour paid at premium rates to be counted as one hour)

Vacation

Holiday Pay

Bereavement Pay

Jury Duty Pay

Military Duty Pay

Call-In Pay

Workers Compensation

Section 6. Annual Disclosures to Union

The Company shall disclose to the Union on an annual basis a calculation of Eligible Profit Share Amount, a list of Eligible Workers and their Compensated Hours and each Eligible Worker's Profit Sharing Amount.

In addition, the Company will respond as soon as practicable to reasonable requests from the Union for information regarding the calculations and information used in determining Profit Sharing.

Section 7. Disputes

The Company and Union recognize it is in the best interest of the parties to work diligently to resolve such disputes or disagreements. If the parties are unable to obtain a mutually agreeable resolution to the dispute or disagreement, it will be subject to the grievance procedure which shall start at Step 4. The Company shall remit the amount the Company computes as due and the differential will be subject to grievance and arbitration.

Section 8. Payment of Profit Sharing

Profit Sharing will be determined and paid as soon as administratively feasible. But in no event later than the end of the fifth month following the end of the Plan Year or 60 days after the release of the Company's Annual Report.